

# TENAX ILS UCITS FUND

## Monthly Newsletter

## July 2024

### Net Asset Value per Share<sup>1</sup>

EUR I-P ACC HED	1100.00
EUR I DIST HED	951.93
EUR I-P DIST HED	916.76
EUR I ACC	1308.37
EUR I-P ACC	1383.44

### Investment Objective

The Tenax ILS UCITS Fund aims to achieve a long-term risk adjusted absolute rate of return and capital growth from investments in insurance-linked securities, being primarily catastrophe (cat-) bonds. Investment in the fund puts your capital at risk and past performance is not a reliable indicator of future results.

### Fund Information

Investment Manager	Tenax Capital Ltd
	Bridge Fund
Manager	Management Limited

### EUR Class I-P Acc Hedged - Monthly Performance %

### IE00BDVK6S99

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.08	0.21	0.08	0.04	-0.30	-0.83	0.14	0.30	-6.59	-0.06	0.58	1.22	-5.24
2023	1.43	1.32	1.42	1.61	1.83	2.12	1.01	1.89	0.83	1.60	0.90	0.63	17.90
2024	1.79	1.19	0.93	0.44	-1.90	1.14	1.87						5.53

Structure UCITS

### EUR Class I Dist Hedged- Monthly Performance %<sup>2</sup>

### IE00BDVK6Q75

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.06	0.18	0.05	0.01	-0.33	-0.87	0.12	0.27	-6.62	-0.07	0.54	1.19	-5.55
2023	1.40	1.30	1.39	1.59	1.80	2.10	0.99	1.87	0.80	1.57	0.88	0.60	17.54
2024	1.76	1.17	0.91	0.41	-1.92	1.11	1.84						5.34

Domicile Ireland

### EUR Class I-P Dist Hedged - Monthly Performance %<sup>2</sup>

### IE00BDVK6V29

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.09	0.21	0.08	0.04	-0.30	-0.83	0.14	0.30	-6.59	-0.06	0.58	1.22	-5.24
2023	1.43	1.32	1.42	1.61	1.83	2.12	1.01	1.89	0.83	1.60	0.90	0.63	17.90
2024	1.79	1.19	0.93	0.44	-1.90	1.14	1.87						5.53

Liquidity 1<sup>st</sup>,3<sup>rd</sup> Friday, month end

Auditor Deloitte

Legal Advisor Dillon Eustace

Administrator CACEIS Ireland Limited

Depository CACEIS Bank, Ireland Branch

### EUR Class I Acc Non-Hedged - Monthly Performance %

### IE00BDVK6P68

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-0.53	0.08	2.32	2.20	1.40	0.01	3.50	0.91	-4.15	0.18	-3.57	-1.79	0.27
2023	1.81	3.24	-1.37	0.21	5.41	0.08	0.23	3.39	3.18	1.85	-1.86	-0.46	16.58
2024	3.48	1.61	1.22	1.39	-3.12	2.40	1.17						8.30

Historical annual performance<sup>3</sup>

2023: +17.90%

2022: -5.24%

2021: +3.23%

2020: +4.12%

2019: -0.54%

5 Years to Date: 25.62%

### EUR Class I-P Acc Non-Hedged - Monthly Performance %

### IE00BDVK6T07

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-0.50	0.10	2.09	2.26	0.60	-0.02	2.98	0.82	-3.18	0.18	-2.93	-1.77	0.42
2023	1.84	3.11	-1.20	0.24	4.68	0.17	0.29	2.82	2.64	1.59	-1.39	-0.28	15.29
2024	2.89	1.38	1.06	1.22	-2.40	2.01	1.04						7.36

### Fund Performance

The fund had a strong month, posting the highest July return since inception. We recovered from the recent drop in the NAV caused by May/June volatility and exceeded our previous position after we added to risk-remote index-trigger bonds. Deals where we hold overweight positions rallied, and we managed to avoid those that suffered the biggest nominal changes. We declined one deal in the primary market, which covers French wind, due to concerns around the structure. Given that we have yet to enter the most active part of the hurricane season, we have been diligent in the secondary market. We sold a small position in a deal that covers secondary perils in the US, aligning with our strategy to focus on peak perils. The market continues to be materially skewed to the buy side, with brokers noting that new capital is entering the market. However, how this skew develops depends on how the season plays out in the next couple of months. August 20th is the unofficial start of the peak of the Atlantic hurricane season, and we hold an important component of highly liquid positions, ready to capitalise on any opportunities should they arise.

<sup>1</sup> Values as of July 31, 2024. All figures are stated on a net basis

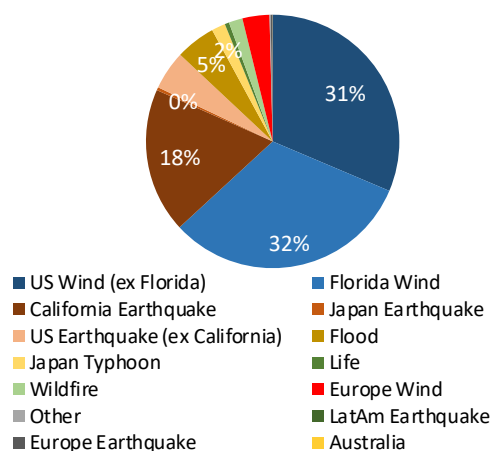
<sup>2</sup> The performance includes cash dividend distributions

<sup>3</sup> Performance refers to ISIN IE00BDVK6S99 only since it is the most representative share class

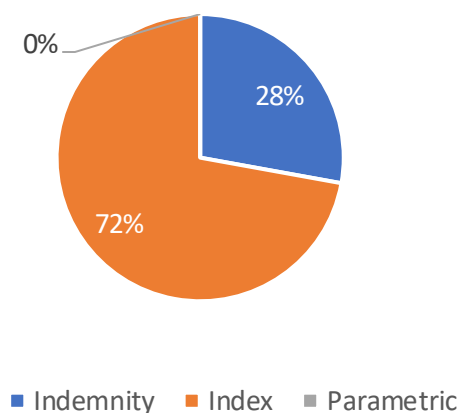
### Market Update

By the start of July, the renewal season was all but complete. The only new deal that reached the public market was from Groupama, who transferred EUR 150 million of French wind exposure to the cat bond market. July also marked the second month of the Atlantic hurricane season, during which only one named storm, Hurricane Beryl, occurred. Hurricane Beryl struck Jamaica as a Category 4 storm, then weakened as it moved through the Gulf of Mexico, ultimately making landfall as a Category 1 storm southwest of Houston, Texas. The market was on alert as Hurricane Beryl approached Jamaica because a bond issued by the IBRD on behalf of the Government of Jamaica was very close to triggering. This deal had a parametric trigger and would have attached if the central pressure measurements had been recorded just a few points lower. Third-party modelling agencies have estimated industry losses to be below USD 5 billion, which is not a concern for cat bond investors. It is not unusual to have so few storms in July, so the market remains vigilant going into the peak months of August and September. The most active period is expected to begin around August 20<sup>th</sup>. In terms of pricing, the market has continued to tighten steadily, which is typical for this time of year as each passing day reduces the risk exposure for US wind-exposed bonds.

Expected Loss Contribution



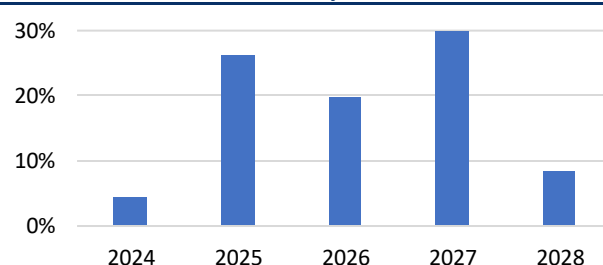
Trigger Structure Type



Portfolio Summary

Number of Positions	115
Yield to Maturity	14.3%
Average Mid Spread	10.0%
Collateral Return	5.2%
Modeled <sup>4</sup> Expected Loss	2.75%
AUM, EUR million	104.9
Average Life	1.7 years

Maturity Profile



### Investment Manager

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<sup>4</sup> Modeled expected loss as calculated at issuance from the relevant risk modeling firm (RMS, AIR, CoreLogic)

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The Fund is organised under the laws of Ireland and authorised by the Central Bank of Ireland as UCITS for the purposes of the UCITS Regulations. Investment in the fund is only open to ‘Qualified Investors’, as defined in the Fund Prospectus. Any decision to invest must be based solely on the information contained in the Company’s Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts. Investors should read the fund specific risks in the Key Investor Information Document and the Company’s Prospectus, which are available from the Investment Manager.

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